



# Oklahoma Quality Jobs Program 2023 Guidelines



**OKLAHOMA**  
Commerce

Oklahoma's Quality Jobs Program cash back incentive has placed the State at the forefront as a location for new or expanding businesses. The business incentive gives qualifying enrolled companies quarterly cash rebates, of up to five percent of newly created taxable payroll, for 10 years. Since inception, the state has enrolled more than 850 companies that have received over \$1.2 billion in wage rebates.

The program, targeted to manufacturers and certain service companies that project having a new payroll investment of \$2.5 million or more, is a valuable asset to improving a company's bottom line and a primary reason why Oklahoma ranks high in incentives. A fully executed contract, with the Department of Commerce, must be in place before any new jobs can be included in the new taxable payroll.

## **THRESHOLD REQUIREMENTS**

The following requirements must be met before an application will be reviewed:

### **BASIC INDUSTRY**

All applicants must be within a qualifying basic industry in order to receive benefits (see Attachment A). Regardless of a company's overall North American Industry Classification System number (NAICS No.), the activities and functions of new direct jobs must be within a qualifying basic industry.

### **NEW PAYROLL THRESHOLD**

A qualified company must achieve \$2.5 million in new annualized payroll, for new fulltime employees, during any four consecutive quarters in its first 12 quarters in the program. If the payroll threshold is not achieved, payments cease. Payments received to date, however, do not have to be paid back to the State. These new positions must be located within the state of Oklahoma.

A lower payroll threshold of \$1.5 million is available for certain food processing and research and development projects or to firms that locate on certain former military bases.

A no payroll threshold is available to businesses locating within 10 acres that are on Superfund sites or the National Priorities List. Sites may still qualify if not on the list, if they have been formally deferred to the State, or if they are being remediated pursuant to a clean-up plan approved by the Department of Environmental Quality.

### **HEALTH INSURANCE COVERAGE**

All businesses must offer basic health insurance coverage to all employees working 30 hours or more per week, whose pay is included in the payroll for qualification.

Employees must pay no more than 50% of the premium cost. Employees must be allowed access to the coverage within 180 days of employment.

### **AVERAGE WAGE REQUIREMENT**

Minimum average wage requirements, based on the Average County Wage where the jobs are located, apply (see Attachment B). The maximum required in any county, regardless of the average county wage, is \$40,472.

Applicants located in Opportunity Zones, designated by the Department of Commerce, are exempted from the requirement. Eighty percent of employees, whose pay is included in the new payroll, must work at least 30 hours per week. Under certain circumstances, leased employees may be included in payroll calculations. While a company has three years to ramp up to the \$2.5 million payroll threshold, they must meet the average wage requirement quarter by quarter. New jobs and wages are tracked beginning with the first quarter after the company enters the program.

# APPLICATION REQUIREMENTS

## APPLICATION

Applicants must provide responses to all application form questions and satisfy all documentation requirements. An original must be signed by an officer of the company and submitted to the Department of Commerce prior to hiring any new employees whose payroll will be claimed for benefits. Note: the application packet provides a line by line instruction sheet to assist in preparation of the form.

Technical assistance in completing the application and other necessary documents is provided at no charge by persons associated with the Oklahoma Department of Commerce.

## NEW HIRE SUMMARY

Applications must include a breakdown of the proposed new hires by job title and average wage for both first and third year. Only eligible new direct jobs and average taxable wages should be used in the calculation. Even though jobs may be projected for a total of five years, only the 3<sup>rd</sup> year projected average wage is shown on the application and used to base benefits on.

## OES-3 REPORTS

OES-3 reports are filed with the Oklahoma Employment Security Commission each quarter. The reports list the number of employees on the payroll of a business as of the 12<sup>th</sup> of each month during a calendar quarter and the dollar amount of payroll for those employees during that time period. Along with the Application, the most recent four quarterly reports must be provided. The average number of employees, for the three months reported on each of the four quarterly summary reports, should be the numbers used on the Application.

## MAJOR MEDICAL EMPLOYEE HEALTH PLAN

Along with the Application, a current copy of the company's health benefits plan must be included. A statement, indicating the percentage paid for the employee's portion of the plan, the waiting period before the plan is offered, and the number of hours worked per week to be eligible for coverage should be attached. Additionally, applicants are required to indicate that some coverage for basic hospital care, physician care, mental health care, substance abuse treatment, maternity and prescription drugs is provided.

## COMPANY BACKGROUND FORM

Company background information must consist of product/service descriptions, a projected growth explanation, a listing of other locations, a corporate family organizational chart, annual sales figures and investment projections (see Attachment C). The information, used as an indication of a company's preparedness to create the new jobs projected, is confidential. If the company is privately owned, full name and date of birth for all owners are required.

## FINANCIALS

Financials including Balance Sheet, Income Statement, Cash Flow and Auditor Statement are required for the previous three years.

## OUT-OF-STATE SALES VERIFICATION

Companies required to provide proof of out-of-state sales may do so by submitting a breakdown of annual sales by state, delineating the Oklahoma percentage of total sales. Sales to the federal government and to in-state customers who resell to an out-of-state consumer may be included. The applicant will be required to sign an affidavit asserting that the out-of-state sales requirement will be achieved and maintained throughout the life of the contract. Only sales associated with Oklahoma operations are applicable.

## **TECHNICAL ASSISTANCE**

Technical assistance regarding program concepts, eligible companies, application guidelines and other information pertaining to the Quality Jobs Program is available upon request and encouraged. Questions may be directed to representatives within the Department of Commerce's National Recruiting and Business Customer Services Teams at (405) 815-5227. The Oklahoma Department of Commerce offers a free service to assist companies in completing the Quality Jobs Program application.

## **APPLICATION SUBMISSION**

Applications are submitted via a Department of Commerce Quality Jobs representative. This person will assist you with the application process. To contact a representative to assist you please call the Quality Jobs Program office at 405-815-5227, or toll free at 800-879-6552, x5227. The Department of Commerce accepts Quality Jobs Program Applications throughout the year since there are no specific deadlines. Applications are evaluated and acted upon as expeditiously as possible, depending upon their satisfactory completion.

## **APPROVAL PROCESS**

Once an application is returned to the Department of Commerce with the required documentation, program administrators will verify eligibility and prepare a final cost/benefit analysis to determine the percentage of new Oklahoma payroll that will be rebated and a maximum amount for the applicant's project. The information is then presented to an internal review team that makes a recommendation, for approval or denial, to forward the application to the next level of review. If the applicant passes the first internal review, a representative from the company will be required to attend an external hearing of the Incentive Approval Committee, consisting of representatives from the Tax Commission, Office of Management and Enterprise Services and Department of Commerce. The committee will make a recommendation, for approval or denial, to the Executive Director of the Oklahoma Department of Commerce.

Once approved, an incentive offer, in contractual form, is issued to the company for acceptance. A corporate official, who is authorized to bind the company contractually, must sign the contract. At this point, only the company's name, municipality location, number of projected new jobs, NAICS No., benefit rate and maximum benefit amount become public information. All approved companies must be registered to do business in Oklahoma and in good standing with the Secretary of State's Office, Tax Commission, and Employment Security Commission.

## **CLAIMS FOR PAYMENT**

The Oklahoma Tax Commission is the primary contact for submitting benefit claims under the contract. Once a contract is returned to the Department of Commerce it is forwarded to the Tax Commission to set up a reimbursement account in order to monitor jobs, payroll and pay qualifying claims. The company will be proactively contacted regarding reporting arrangements.

Claims are made quarterly for three years. If threshold is achieved, they may extend for an additional seven years. Note: while the company has three years to reach the \$2.5 million threshold, the company must meet the average wage requirement quarter by quarter. At the time the first incentive payment is made, the Department of Commerce is paid a \$1000 origination fee.

## INCENTIVES EXCLUDED

Companies enrolled in the Quality Jobs Program may not be eligible to receive certain credits or exemptions in conjunction with the same activity. They include the following:

- Sales of Electronics to Qualified Aircraft Maintenance Facilities
- Sale of Property to Qualified Manufacturer
- Investment/New Jobs Tax Credit
- Investment in Qualified Venture Capital Companies
- Recycle, Reuse, Source Reduction Tax Credits
- Investment in Clean Burning Motor Vehicle
- Tax Credit for Employer Provided Health Plans
- Purchase of Equipment when primary activity is Computer/Data Processing
- Income Tax Credit for net Increase in Computer and R&D jobs
- Insurance Premium Tax Credit
- Tax Credit for Recycling Facility
- Tax Credit for Commercial Space Operations
- Oklahoma Quality Investment Act
- Business Expansion Incentive Program

All applicants should consult with a tax advisor to determine the most appropriate incentive plan based on value and financial goals. Additionally, a comparative estimate is available from Department of Commerce representatives.

## DISCLAIMER

The materials contained in this document have been prepared by the Oklahoma Department of Commerce for informational purposes only and do not constitute legal or tax advice. This information is subject to change based on judicial interpretation and legislative action. The application of the information is subject to your unique facts and circumstances.

YOU SHOULD NOT ACT UPON ANY INFORMATION CONTAINED IN THESE MATERIALS WITHOUT SEEKING YOUR OWN PROFESSIONAL LEGAL AND TAX ADVICE.

# OKLAHOMA QUALITY JOBS PROGRAM QUALIFYING INDUSTRIES

## BASIC INDUSTRIES

### **Manufacturing**

Industries classified under NAICS Manual Nos. 31, 32, 33, 5131 or 11331.

### **Research and Development and Testing Laboratories**

See NAICS Manual Nos. 54171 and 541380.

### **Central Administrative Offices, Corporate Offices and Technical Services**

See NAICS Manual Nos. 5611, 5612, 51821, 519290, 52232, 56142, 524291, 551114.

### **Certain jobs related to the mining of oil and gas**

See NAICS No. 2111, 213111 and 213112; 486

### **Certain Warehouse/Distribution Operations**

See NAICS manual 42 where 40% of inventory is shipped out of state.

### **Transportation by Air**

See NAICS Manual No. 4811 if corporate headquarters and some reservation activities are within the state or 75% of air transport sales are to out-of-state consumers.

### **Flight Training Services**

See NAICS No. 611512

### **Federal Civilian Workforce of the Federal Aviation Administration**

Where jobs are migrating to Oklahoma from other Federal sites, or expansion here

### **Other Support Activities for Air Transportation**

See NAICS Manual No. 488190

### **Wind Power Electric Generation Equipment Repair & Maintenance**

See NAICS Manual No. 811310

### **Support Activities for Rail and Water Transport**

See NAICS Manual Nos. 4882, 4883

### **Sports Teams & Clubs**

See NAICS Manual No. 711211

## SERVICE INDUSTRIES

The program also covers the following service companies, if 75% of sales are out-of-state:

**Rail Transportation**

See NAICS Nos. 482

**Motor Freight Transportation and Warehousing**

See NAICS Nos. 493, 484, 4884-4889

**Arrangement of Passenger Transportation**

See NAICS Nos. 561510, 561599

**Transportation of Freight or Cargo**

See NAICS No. 541614

**Certain Communications Services**

See NAICS Nos. 517111, 51741 and 517121

**Certain Refuse Systems that distribute methane gas**

See NAICS No. 5622

**Grocery Wholesale Distributing**

See NAICS Nos. 4244 and 4245

**Securities, Commodities, Investments**

See NAICS No. 523

**Insurance Carriers**

See NAICS No. 5241

**Insurance Claims Processors Only**

Included in NAICS Nos. 524210 and 524292

**Adjustment and Collection Services**

See NAICS No. 561440 (75% of loans to out-of-state debtors)

**Miscellaneous Equipment Rental**

See NAICS Nos. 5324

**Computer Programming, Data Processing and Other  
Computer Related Services**

See NAICS Nos. 513210, 5182, 519290, 513120, and 5415

**Miscellaneous Business Services**

See NAICS Nos. 561410, 56142, and 516210

**Offices of Real Estate Agents & Brokers**

See NAICS No. 531210 (and 75% of transactions are out of state)

**Medical and Diagnostic Laboratories**

See NAICS No. 6215

**Engineering, Management and Related Services**

See NAICS Nos. 5412, 5414-5417, 54131, 54133, 54136, 54137, and 541990

**Agricultural Production**

See NAICS Nos. 112120

**Professional Organizations**

See NAICS No. 813920

**Alternative Energy Structure Construction**

See NAICS No. 237130

**Alternative Energy Equipment Installation**

See NAICS Nos. 238160, 238220

**Electric Service Companies**

The program also applies to electric services companies within NAICS Nos. 221111-221122 - Exempt Electric Wholesale Generators, if 90% of energy input is consumed from in-state sources and 90% of sales are out-of-state.



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## 2023 Quality Jobs Average County Wage

Year 2021 data to be used February 1, 2023 to January 31, 2024

### State Threshold Wage: \$40,472

County	100% Wage	110% Wage	125% Wage
Adair	\$38,754	\$42,629	\$48,443
Alfalfa	\$44,289	\$48,718	\$55,361
Atoka	\$36,385	\$40,024	\$45,481
Beaver	\$42,143	\$46,357	\$52,679
Beckham	\$48,338	\$53,172	\$60,423
Blaine	\$45,818	\$50,400	\$57,273
Bryan	\$46,813	\$51,494	\$58,516
Caddo	\$45,518	\$50,070	\$56,898
Canadian	\$45,981	\$50,579	\$57,476
Carter	\$48,230	\$53,053	\$60,288
Cherokee	\$44,514	\$48,965	\$55,643
Choctaw	\$39,186	\$43,105	\$48,983
Cimarron	\$38,835	\$42,719	\$48,544
Cleveland	\$45,365	\$49,902	\$56,706
Coal	\$38,721	\$42,593	\$48,401
Comanche	\$49,405	\$54,346	\$61,756
Cotton	\$40,476	\$44,524	\$50,595
Craig	\$42,166	\$46,383	\$52,708
Creek	\$48,383	\$53,221	\$60,479
Custer	\$47,820	\$52,602	\$59,775
Delaware	\$38,030	\$41,833	\$47,538
Dewey	\$50,990	\$56,089	\$63,738
Ellis	\$41,881	\$46,069	\$52,351
Garfield	\$49,195	\$54,115	\$61,494
Garvin	\$51,817	\$56,999	\$64,771
Grady	\$44,212	\$48,633	\$55,265
Grant	\$48,955	\$53,851	\$61,194
Greer	\$36,472	\$40,119	\$45,590
Harmon	\$39,276	\$43,204	\$49,095
Harper	\$38,070	\$41,877	\$47,588
Haskell	\$36,626	\$40,289	\$45,783
Hughes	\$35,408	\$38,949	\$44,260
Jackson	\$49,710	\$54,681	\$62,138
Jefferson	\$34,503	\$37,953	\$43,129
Johnston	\$41,542	\$45,696	\$51,928
Kay	\$47,274	\$52,001	\$59,093
Kingfisher	\$50,962	\$56,058	\$63,703
Kiowa	\$38,871	\$42,758	\$48,589
Latimer	\$42,074	\$46,281	\$52,593

### State Average Wage (QJ+ITC): \$52,477

County	100% Wage	110% Wage	125% Wage
Le Flore	\$42,659	\$46,925	\$53,324
Lincoln	\$45,636	\$50,200	\$57,045
Logan	\$40,535	\$44,589	\$50,669
Love	\$43,243	\$47,567	\$54,054
McClain	\$42,944	\$47,238	\$53,680
McCurtain	\$42,511	\$46,762	\$53,139
McIntosh	\$35,113	\$38,624	\$43,891
Major	\$40,480	\$44,528	\$50,600
Marshall	\$45,065	\$49,572	\$56,331
Mayes	\$50,939	\$56,033	\$63,674
Murray	\$42,256	\$46,482	\$52,820
Muskogee	\$46,827	\$51,510	\$58,534
Noble	\$49,410	\$54,351	\$61,763
Nowata	\$44,118	\$48,530	\$55,148
Okfuskee	\$35,980	\$39,578	\$44,975
Oklahoma	\$59,727	\$65,700	\$74,659
Okmulgee	\$42,212	\$46,433	\$52,765
Osage	\$42,975	\$47,273	\$53,719
Ottawa	\$40,149	\$44,164	\$50,186
Pawnee	\$41,703	\$45,873	\$52,129
Payne	\$44,263	\$48,689	\$55,329
Pittsburg	\$46,634	\$51,297	\$58,293
Pontotoc	\$49,967	\$54,964	\$62,459
Pottawatomie	\$42,339	\$46,573	\$52,924
Pushmataha	\$42,097	\$46,307	\$52,621
Roger Mills	\$43,597	\$47,957	\$54,496
Rogers	\$51,526	\$56,679	\$64,408
Seminole	\$42,573	\$46,830	\$53,216
Sequoyah	\$34,865	\$38,352	\$43,581
Stephens	\$46,964	\$51,660	\$58,705
Texas	\$43,423	\$47,765	\$54,279
Tillman	\$38,943	\$42,837	\$48,679
Tulsa	\$57,552	\$63,307	\$71,940
Wagoner	\$46,200	\$50,820	\$57,750
Washington	\$56,200	\$61,820	\$70,250
Washita	\$39,779	\$43,757	\$49,724
Woods	\$42,180	\$46,398	\$52,725
Woodward	\$48,738	\$53,612	\$60,923

Source: US Department of Commerce, Bureau of Economic Analysis, Table CAINC30

Note: The 125% wage threshold is used in change-in-control scenarios.



## COMPANY BACKGROUND

Please provide detailed information related to the Quality Jobs Program applicant.

1. Describe the company's line(s) of business.
2. Outline the reason for expansion or new lines of business and projected growth.
3. List other locations within and outside Oklahoma.
4. Provide most current fiscal year sales and anticipated growth.
5. Furnish new investment projections applicable to current project.
6. If the company is privately owned, please provide owner(s) full name (first, middle initial, last) and date of birth(s).
7. Please furnish a CORPORATE organizational chart showing any sister companies, subsidiaries, parent company, etc. DO NOT provide individual names or job titles, only the parent-subsidiary structure if the entity has common ownership.



Oklahoma Department of Commerce  
900 N Stiles Ave.  
Oklahoma City, OK 73104  
[www.okcommerce.gov](http://www.okcommerce.gov)  
800-588-5959